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9
10 **UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

11
12 THE PEOPLE OF THE STATE OF
CALIFORNIA,

13 Plaintiff,

14 v.

15 UNITED STATES DEPARTMENT OF
16 EDUCATION, et al.,

17 Defendants.

No. 3:17-cv-7106-SK

No. 3:17-cv-7210-SK

JOINT STATUS REPORT

18 MARTIN CALVILLO MANRIQUEZ, et al.,

19 Plaintiffs,

20 v.

21 UNITED STATES DEPARTMENT OF
22 EDUCATION, et al.,

23 Defendants.

1 The parties hereby submit the following joint status report in advance of the May 29, 2025
2 Status Conference.

3 In June 2022, the United States Department of Education (“ED”) determined that
4 extensive evidence shows that, between 1995 and 2015, Corinthian College engaged in widespread
5 misrepresentations about its schools’ educational programs. ED further determined that borrowers
6 who attended Corinthian during that period met the applicable standards for a defense to
7 repayment. *See* 34 C.F.R. §§ 685.206, 222. As a result, ED determined that the relevant loans,
8 and the borrowers’ obligations to repay those loans, could not be enforced. ED further determined
9 that each covered borrower is entitled to a discharge of eligible loans, a refund of payments made
10 to the Secretary on those loans, updated reports to consumer reporting agencies, and, if applicable,
11 removal of default status and restoration of the borrowers’ eligibility to receive applicable federal
12 student assistance.

13 Based on the above determinations, as noted in prior reports, on June 1, 2022, ED
14 announced a group discharge to cancel all remaining federal loans for an estimated 560,000
15 borrowers who attended any campus owned or operated by Corinthian from its founding in 1995
16 through its closure in April 2015 (“Corinthian Group Discharge”). *See*
17 [https://www.ed.gov/news/press-releases/education-department-approves-58-billion-group-](https://www.ed.gov/news/press-releases/education-department-approves-58-billion-group-discharge-cancel-all-remaining-loans-560000-borrowers-who-attended-corinthian-colleges)
18 [discharge-cancel-all-remaining-loans-560000-borrowers-who-attended-corinthian-colleges](https://www.ed.gov/news/press-releases/education-department-approves-58-billion-group-discharge-cancel-all-remaining-loans-560000-borrowers-who-attended-corinthian-colleges). The
19 announced action provides full relief, including discharge of remaining loan balances and refunds
20 of amounts paid, to Corinthian borrowers regardless of whether any such borrower has filed a
21 borrower defense application. In addition to publicly announcing the Corinthian Group Discharge,
22 ED has sent official notices to eligible borrowers explaining this final agency action and the relief
23 to which they are entitled.

24 For the last two years, the parties in the related cases have jointly reported to the Court
25 that they believe the Corinthian Group Discharge will resolve outstanding issues in these cases and
26 have jointly requested that the Court continue to hold pending litigation deadlines in abeyance.
27 Subsequently, based on ED confirming that the Corinthian Group Discharge includes full relief
28 both for Corinthian borrowers who applied for borrower defense relief and for Corinthian

borrowers who did not apply for borrower defense relief, the parties determined that a formal settlement agreement was not necessary and have been working towards a negotiated dismissal of the above-referenced litigation in light of the Department's progress effectuating the Corinthian Group Discharge. *See* ECF No. 379 (*Calvillo Manriquez*); ECF No. 185 (*California*). ED has agreed to complete the Corinthian Group Discharge and provide periodic reporting on the progress of implementation to both class counsel and to California. ED has also confirmed that eligible loans, including any consolidation loans that include eligible loans, will remain paused in forbearance or stopped collections unless the borrower expressly opts out of forbearance or stopped collections.

As explained in the previous Joint Status Report, ECF No. 210 at 4, since March 18, 2024, the Department has worked to examine and verify the status of the Corinthian discharges reported by servicers by cross-referencing records reported in the National Student Loan Data System (NSLDS) and analyzing these records for indications about the status of these discharges. As of May 6, 2025, that analysis suggests the following information for borrowers determined to be eligible for relief as of July 25, 2022 (shortly after the announcement of the Corinthian Group Discharge was made):

	05/06/2025 Analysis of NSLDS Data
CCI Borrowers who applied	42,900 (92%) have had their loans discharged
CCI Borrowers who did not apply	425,100 (81%) have had their loans discharged

ED has assured Plaintiffs' counsel that it remains committed to effectuating relief for Corinthian borrowers as soon as possible. While ED has made progress on implementing the Corinthian Group Discharge since the previous Joint Status Report, as noted in earlier reports, progress has been slowed for two main reasons: prioritization of effectuating relief in *Sweet v. Cardona*, No. 3:19-cv-03674-WHA (N.D. Cal.), and complications with consolidated loans. Unlike in this case, the effectuation of relief in *Sweet* is based on ED's obligation to comply with

1 deadlines for discharging loans and processing loans in accordance with a court-approved
 2 settlement agreement. *See* ECF No. 210 at 5-6 (discussing *Sweet*).

3 Plaintiffs disagree with ED's explanations for its lengthy delay in effectuating the
 4 promised discharges and note that approximately 105,600 borrowers remain eligible for the
 5 promised relief. As noted in prior reports, Plaintiffs have expressed concerns that ED has not been
 6 making significant progress and, in their view, does not have a reliable process in place to
 7 efficiently discharge the remaining consolidated loans. Plaintiffs have requested that ED confirm it
 8 will use the "terminal loan discharge process" utilized to effectuate discharges of consolidated
 9 loans in the *Sweet* action or identify a reasonable and workable alternative. ED is considering
 10 Plaintiffs' proposal and anticipates making a determination, and providing Plaintiffs an update on
 11 that determination, within 60 days. Further, as noted in prior status reports, ED has taken steps to
 12 ensure eligible loans, including any consolidation loans that include eligible loans, will remain
 13 paused in forbearance or stopped collections, and ED is committed to working towards making
 14 significant progress on effectuating the remaining discharges under the Corinthian Group
 15 Discharge.

16 The parties propose filing a further Joint Status Report on August 4, 2025, two weeks after
 17 the 60-day period when ED anticipates providing an update on use of the "terminal loan discharge
 18 process" for remaining eligible loans.

19 DATED: May 22, 2025

Respectfully submitted,

21 /s/ Bernard A. Eskandari

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ATTESTATION OF SIGNATURES

I, Bernard A. Eskandari, hereby attest, pursuant to Local Civil Rule 5-1(h)(3) of the Northern District of California, that concurrence in the filing of this document has been obtained from each signatory hereto.

/s/ Bernard A. Eskandari

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